

UCCSN Board of Regents' Meeting Minutes November 6-7, 1980

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BOARD OF REGENTS

UNIVERSITY OF NEVADA SYSTEM

November 6, 1980

The Board of Regents met on the above date in the Pine Auditorium, University Of Nevada, Reno.

Members present: Mr. Robert A. Cashell, Chairman

Mr. James L. Buchanan, II

Mrs. Lilly Fong

Mr. Chris Karamanos

Mrs. Molly F. Knudtsen

Dr. Louis E. Lombardi

Mr. John R. Mc Bride

Mr. John Tom Ross

Mrs. June F. Whitley

Others present: Chancellor Donald H. Baepler

President William Berg, NNCC

President Joseph Crowley, UNR

President James Eardley, TMCC

Dean Marcia Beresain, WNCC

President Judith Eaton, CCCC

President Leonard Goodall, UNLV

President Clifford Murino, DRI

Vice Chancellor Larry Lessly

Secretary Bonnie Smotony

Also present was Regent-elect Frankie Sue Del Papa.

The meeting was called to order by Chairman Cashell at 10:10 A.M.

1. Adoption of Consent Agenda

Adoption of Consent Agenda (identified as Ref. A and filed with permanent minutes) containing the following items, was recommended:

- (1) Approval of the minutes of the special meeting of October 3, the regular meeting of October 14, and the special meeting of October 24, 1980.

- (2) Acceptance of gifts and grants.

- (3) Approval of transfer of \$138,740 from the UNLV Contingency Reserve to provide funding for part-time instructors for the Spring semester.

- (4) Approval of the appointment of Mr. Newell Jackson, Partner in Charge, Fox and Company, to the Advisory Board of the UNR College of Business Administration, to fill the unexpired term of Mr. George Vargas.

- (5) Augmentation of the WNCC Interview and Recruiting Account by allocation of \$5,000 from the Board of Regents Special Projects Account.

- (6) Approval of the expenditure of up to \$15,000 from the WNCC Capital Improvement Fee Account to replace worn carpet in the student lounge and mezzanine area of the Carson Campus.

- (7) Approval of a request for Sierra Pacific Power Company and Nevada Bell for a right-of-way to permit the installation of utilities to service the addition to the Nevada Historical Society building on the UNR Campus.

The requested easement is ten feet wide and is aligned with the service lines provided for the original building.

- (8) Augmentation of the Board of Regents Host Account by allocation of \$5,000 from the Board of Regents Special Projects Account.

Dr. Lombardi moved approval. Motion seconded by Mr. Buchanan, carried without dissent.

2. Appeal of Mandatory Retirement

Mr. Clinton E. Wooster, Attorney for Mrs. Helen Mulder, requested the Board to either rescind its policy, contained in Section 3.6.7(e) of the University Code, which requires retirement of tenured faculty at age 65, or that Mrs. Mulder be granted an exception and her employment be continued.

Mr. Wooster reviewed Mrs. Mulder's professional experience, noting that she is presently a tenured faculty member of TMCC. Mrs. Mulder reached the age of 65 in July, 1980. In June, 1980, Mrs. Mulder received notification from President Eardley that pursuant to the Board's policy on mandatory re-

tirement at age 65, she would not be rehired for the 1981-82 fiscal year. Mr. Wooster stated that, in his opinion, this action and the above cited policy as applied to Helen Mulder is prohibited by NRS 281.370, which prohibits age discrimination by all public agencies in the State of Nevada.

Mr. Wooster suggested that Mrs. Mulder's case differs from the Chauncy Oakley case, which is now being appealed to the Nevada Supreme Court by the University, in that Mrs. Mulder is a tenured faculty member whereas Mr. Oakley is nontenured. However, he believed the principle of law to be the same; that is, if you are not rehired solely because of age, that is a prohibited practice in Nevada for all State and public agencies pursuant to the Nevada statute.

Mr. Lessly advised that it would be inappropriate for the Board of Regents to make an exception to its policy in that it would place the Regents in a position of arbitrary and capricious action. The only appropriate action for the Board to take, he suggested, would be to either maintain the current policy or change the policy as it applies to all tenured faculty members who are currently required to retire at age 65.

Mr. Mc Bride suggested that no action should be taken until the Supreme Court rules on the Oakley case which is now before it.

Mr. Karamanos suggested that the Board immediately adopt the Federal guideline of age 70 for all faculty, rather than to retain age 65 for tenured faculty until 1982.

President Crowley recalled that this issue had been before the Board on a number of occasions. He stated that philosophically he agreed with Mr. Karamanos' concern; however, he pointed out that the purpose of the Federal exemption was to give institutions time to phase into the new system -- those institutions, like UNR, which have large numbers of faculty in the sixty and above age bracket, at the same time as they have very slow growth or no growth in new positions.

President Crowley also pointed out that subsequent to the adoption in 1979 of the policy of mandatory retirement at age 65 for tenured faculty, UNR has proceeded with searches to replace eight or nine faculty who have reached that retirement age, and those searches are nearing completion.

Any change in the Board's policy at this point would throw this process into a severe state of dislocation. He urged that the Board retain its current policy.

Mr. Karamanos again expressed concern that this policy discriminates against faculty members who reach age 65 prior to 1982, pointing out that those who will reach age 65 after that year may continue to be employed until age 70.

Mrs. Fong moved that the current policy of the Board with respect to retirement be retained. Motion seconded by Mr. Mc Bride, carried with Mr. Karamanos opposing.

3. Presentation Concerning Desert Research Institute

President Murino presented an analysis of the DRI as a fiscal enterprise, with his presentation illustrated by a series of slides. A printed brochure containing a condensed version of his presentation was also presented and for purposes of the minutes the text of that brochure follows:

The Desert Research Institute's funding comes from three sources: the State of Nevada, the Federal government and private industry. While the last two sources are expected to account for most of DRI's estimated \$7.5 million budget for 1980-81, State support of certain administrative and clerical positions, amounting to 8.5%

of the DRI budget, is the most important funding the Institute receives. The State also funds several research projects of special importance and timeliness to the State. All on-going institutional expenses -- plant maintenance, utilities, libraries, etc. -- are covered out of research grant and contract funds from Federal and private sponsors.

The Federal government has been DRI's single largest source of funds and, since DRI is an academic institution, this funding is regulated by the provisions of Circular A-21 of the Federal Office of Management and Budget. Federal research grants typically fund two components: Direct Costs -- scientist's salaries, materials and supplies, travel, instrumentation and computer time, and are restricted to the purposes specified in the grant; Indirect Costs -- or overhead, the general administrative costs and institutional expenses such as plant maintenance and utilities.

Academic institutions must annually negotiate their indirect cost or "overhead" rate with the Federal government. This rate represents the ratio of the sum of the research-related indirect expenses to the sum of all the

salaries and benefits paid to the research staff. (Currently, the DRI overhead rate is 56%.)

For a given research grant, the dollars expended for salaries and benefits is multiplied by the overhead rate to yield the overhead dollars recovered on that grant.

When the sum of the dollars expended for salaries and benefits on all the institution's grants and contracts is multiplied by the overhead rate, this should return to the institution all of its indirect expenses. This is what the overhead rate is designed to do.

The total overhead recovered by DRI can never exceed DRI's annual indirect expenses. Added grants and contracts will not lead to added overhead recovery (unless, of course, they cause added indirect expenses).

Rather, as the amount of grants increases, i. e., as the research salary base increases, the overhead rate will decrease proportionately so that the amount of overhead recovery remains constant and equal to DRI's overhead expenses, except for any overhead recovery that is waived.

There are special circumstances in which it is appro-

appropriate or necessary that DRI waive the overhead normally charged on Federal grants. Once waived, these overhead dollars are lost forever and cannot be made up through overhead charged on additional grants and contracts. DRI will waive overhead only in special cases where it is unavoidable.

Size and fiscal stability are two concepts describing the DRI financial condition. Size, or volume of research, is the amount of money DRI has to work with.

Fiscal stability is the Institute's ability to ensure full funding of staff salaries, weather fluctuations in the volume of research without dramatic staffing changes and the ability to meet unexpected cash emergencies.

Size and fiscal stability are separate and distinct concepts; at DRI they can work at odds with each other.

Ideally, each researcher's salary would be funded by a single grant and that grant would be renewed each year with no time lag between renewals. In actual practice, a researcher's salary normally is made up of a mix of contributions from a number of different grants that begin and end at different times and which may or may not be renewed or replaced. Often, salaries are less

than 100% funded, especially when one part of the grant terminates before another takes its place. Since the institute is prohibited from charging more than the full salaries of some individuals to make up for the shortfalls of others, a gap in the funding of salaries must always occur. Increasing the number of grants received will help this problem only if the mix of additional technical expertise required is the same as the expertise available from those persons whose salaries are not fully funded. What often is the case is that an increase in grant activity may result in the hiring of additional partially-funded persons and actually increase the shortfall in salary funding. This reduces the Institute's fiscal stability. On average, the percentage of the research salaries funded at DRI is about 85%, and this is considered good. Then if this percentage increases substantially, growth of DRI must result in increased shortfall.

DRI's recovered overhead dollars are used first to cover the institutional expenses mentioned above. They are also applied to cover shortfalls and unexpected emergencies that inevitably arise. One may ask; since overhead dollar recovery is justified entirely on the

basis of overhead expenses, how can there be anything left to cover shortfalls and emergencies? It was stated before that funding from the State of Nevada to cover a limited few administrative and clerical positions was the most important funding the Institute receives. This is because these salary costs qualify for inclusion in the DRI overhead rate and are fully recovered as overhead dollars on grants and contracts. (A similar situation occurs on the University of Nevada Campuses.) Since the salaries already have been covered by State funds, there is no need to pay them from overhead recovery. These overhead dollars are freed up to meet the serious shortfall problem. Together with the dollar-equivalence of certain System-contributed services (bookkeeping, purchasing, etc.) also included in the overhead rate, these funds constitute the sole source of DRI's fiscal stability. Since the shortfall problem increases as DRI grows, the State funding is indispensable not because it is there if all else fails; rather, because it becomes increasingly crucial as all else succeeds.

DRI's projected expenditures of \$7.5 million for 1980-81 will be matched by revenues of an equal amount -- a bal-

anced condition. Its total overhead expenses of about \$1.6 million will include some \$638,000 of State-funded administrative and clerical positions and an estimated \$200,000 in System-contributed services. Overhead recovery is expected to return \$1,330,000, about \$260,000 less than expenses due to the amount of overhead recovery waived. After institutional expenses are deducted, \$525,000 must be committed to salary shortfalls allowing a reserve of only \$53,000 to meet emergencies.

Since the above amounts of dollars available from overhead would remain constant as DRI received more grants and contracts, without further infusions from the State, DRI would quickly outgrow its ability to cover shortfall. In fact, DRI could grow no more than the \$53,000 reserve would allow. To maintain a proper balance between growth and fiscal stability it is essential that modest amounts of new State dollars be infused into the financial underpinnings of the DRI growth structure.

Viewed from the perspective of the State, this is an attractive and highly leveraged investment opportunity.

Every administrative dollar that the State invests in DRI is immediately matched by two Federal overhead dol-

lars. Nevada is guaranteed to triple its money. Added to this are the eight additional Federal (and private) dollars for direct research expenses -- primarily salaries -- that provide the State both an economic benefit and the benefit of research for the State.

Dr. Murino concluded his remarks by citing three steps which he believed important to the future growth of DRI and which he has begun to implement:

- (1) To continue to get the message across of the vital importance to the Institute of State funding;
- (2) To implement a well organized fund raising program which would produce for the Institute over the next ten years a perpetual endowment fund; and
- (3) To establish some kind of mechanism that would put the DRI in a position where it would qualify for more favorable Federal treatment.

Dr. Murino noted that the last step involves assistance from Counsel in finding a way in which an adjunct research foundation can be created, which will preserve the authority

of the Board of Regents over the Institute, but at the same time will enable DRI to qualify for a fee which would eliminate the shortfall problems alluded to in his presentation.

4. Proposed Funding for Solar Laboratory

President Murino recalled that at the October meeting Regent Buchanan had requested that the Board consider a proposal that \$150,000 be made available to the Solar Laboratory to establish a revolving fund to be used as "seed money" for the development of grant proposals, with monies advanced from this fund to be repaid from proceeds of grants and contracts.

Dr. Murino stated that he was not prepared to ask for such money at the present time; however, he did wish to request authorization to reprogram \$25,000 which the Board had made available to the Energy Systems Center two years ago in connection with construction of a building in collaboration with Butler Manufacturing Company. He reported that the Center had not used that money, and in fact, Butler Manufacturing Company has decided not to proceed with the construction. He requested that the funds be redirected into a venture capital reserve for the Energy Systems Center,

suggesting that one possible use of the funds would be the design of a solar efficient residential structure.

Mr. Mc Bride moved approval. Motion seconded by Dr. Lombardi, carried without dissent.

Chairman Cashell asked that the Board be informed as to the ultimate disposition of these funds.

In response to a question concerning the property owned by DRI fronting on Maryland Parkway, Dr. Murino stated that he would have a full report and a proposal on the December agenda.

5. Foundation Fund Boards

Chairman Cashell referred to a subsequent item on the agenda noting that Mr. William Thornton, Chairman of the UNR Foundation Fund Board, was present and wished to make some comments with reference to the matter for the Board's consideration when that agenda item was reached.

The agenda item under discussion recalled that as part of the Board's action in November, 1979, establishing founda-

tion funds for the several institutions, the following provision was approved:

To provide for review by the Board of Regents of the performance of the University of Nevada System Endowment one year from the date hereof to determine whether it would be in the best interests of the System or any of its entities having a foundation fund to seek Regents' approval to secure legislative authority for the formation of statutory foundations.

It was further recalled that at the October meeting, Regent Fong had requested a follow-up report on the foundation funds, and at the time the agenda was finalized, those reports were in preparation and were to be distributed prior to the meeting.

The proposal before the Board offered by Presidents Crowley, Goodall and Eaton was that the Board now agree to seek legislative authority for the formation of statutory foundations.

Mr. Thornton stated that his purpose for being at the meeting was to present the report which was requested by the

Board concerning the activities of the Foundation Fund

Board since its establishment, and noted that material had been forwarded to the Chancellor for distribution to the Board of Regents.

Mr. Thornton requested that the Board proceed with the necessary authorization for drafting of legislation which would allow for the eventual establishment of statutory foundations.

Mr. Lessly suggested that there is a philosophical question that the Board has to address; that is, whether or not it wants foundations to conduct fund raising for them in any different format and organization than now exists.

Chancellor Baepler stated that a statutory change could be made rather simply but agreed that the philosophical question is, does the Board want to have fund raising out from under its control and does it want the subsequent investments of the fund raising out from under its control.

Mr. Buchanan stated that the Board has previously stated that they do not wish this to occur, and suggested that the philosophical question has already been addressed a number

of times and the Regents have stated that they want to have control over these efforts and the funds generated from these efforts.

Mr. Lessly noted that there is a precedent for a foundation established by the Legislature, recalling that the two land foundations were authorized by statute to secure lands for the two Universities. He again advised that the only way he believed the Board should create a foundation is to do so through legislation, agreeing that such establishment would make them separate from the University, adding that it was for that reason he had suggested that question be addressed first.

In response to a question concerning the way in which such foundations are provided in other Universities, Chancellor Baepler explained that in some States the governing boards would not be permitted to handle private money and invest it and for those institutions, the only way in which they can raise money is to have separate and private foundations.

In a State like Nevada, where the Board has constitutional authority, there is no problem with raising, investing, and spending private money.

Mr. Buchanan expressed strong objection to fund raising being conducted outside the control of the University and the Board of Regents, adding that the Board has reaffirmed a number of times that it opposes the establishment of private foundations.

Chancellor Baepler pointed out that there is no way in which the Board can prevent any group from starting a private foundation whose goal is to raise money for the University. He suggested that the problem arises when that private foundation wants to use University employees to assist them.

Mr. Lessly explained that if Mr. Thornton's approach is followed, and legislation is enacted to create a statutory foundation, in order for it to have the appropriate tax status it would have to be declared a political subdivision of the State and it would need an appropriation.

Mr. Thornton expressed regret that the material that had been provided had not been distributed, suggesting that after the Board had an opportunity to review it, further discussion would be productive. He pointed out the whole purpose of such a foundation as is being proposed is not to go at cross purposes with the University, but to provide

outside support and outside expertise and to channel the funds into whatever the University wishes to use them for.

Mr. Ross suggested that some compromise could be reached which would give the foundation a certain latitude but still give the University and the Board of Regents a final say.

Mr. Mc Bride agreed with the concerns expressed by Mr. Buchanan adding that he was reluctant to see the responsibility for fund raising removed from the control of the Board of Regents. He suggested that further discussion and action on this matter be delayed until there was an opportunity to review the material provided by Mr. Thornton.

President Crowley commented on the concerns expressed by Mr. Buchanan and Mr. Mc Bride, stating that he did not believe that the suggestion that establishment of a statutory foundation would remove the Board of Regents from control of the fund raising activity was correct. However, the establishment of a private foundation would do just that, and suggested that if the Board did not move to establish statutory foundations that would work in cooperation with the Board of Regents, establishment of such private foundations would most assuredly proceed. Dr. Crowley urged that the

Board authorize the drafting of legislation which would permit the development of a single University foundation that would work in cooperation with the Board. In response to the fears expressed that the Board would not have control of the way in which funds raised by a foundation would be expended, President Crowley pointed out that such a foundation cannot set priorities for the University, funding that it supplies would have to be accepted by the Board of Regents, and the purposes for which those funds are to be expended would therefore also have to be acceptable to the Board.

Mr. Lessly commented on the level of control that the Board of Regents would have, stating that there is a serious legal problem as a result of an Attorney General's opinion of several years ago when a foundation was proposed. That opinion indicated that it was difficult to have members of the Board of Regents serve on a foundation because of the King decision. The only way, Mr. Lessly suggested, to get around this is to have a statutory foundation, thus precluding the the Board of Regents serving as trustees. The problem would be to structure it so that the Board would have the control it wants, after the extent of the control and directness of the control desired is determined.

Mr. Cashell urged that the Board remain open-minded about this matter, and that some attention be given to how this could be established to retain to the Board the necessary authority and control over the receipt of the funds and the designation of their purpose.

Mr. Buchanan stated that in his opinion that is already provided through the Foundation Funds and he was not aware of any problems with the current organization.

President Crowley commented on foundations around the country, noting that there is not a major State University that doesn't have one. He suggested that the advantage these foundations have yielded is in their Board of Directors and in the capability of that Board of Directors to raise private funds; that is, the experience has been a marked and dramatic increase in the private fund raising capability of the University through the vehicle of the foundation. Dr. Crowley suggested that with Nevada looking at a projection over the course of the next two decades of no growth in State funding to its institutions, there is no alternative other than to turn to private funding, and the foundation approach is intended to significantly increase the University's capability to raise those private funds.

Dr. Crowley stated that he was assured that if the Board of Regents moves in the direction proposed; that is, to seek authorization for the establishment of a statutory foundation, those groups who are now pushing for private foundations for individual Colleges or special interest programs will put their efforts into the single foundation; however, if that does not occur, those same people and groups will proceed on their individual routes by way of private foundations without the critical inter-tie with the University.

Dr. Goodall agreed, stating that he did not believe the Board of Regents would be giving up very much by the establishment of a statutory foundation because the ultimate expenditure authority rests with the Board. He also pointed out that the majority of the money coming to the University now is already designated when it is received; that is, most donors will specify a purpose when they provide the funds; the Board must accept that purpose when it accepts the money.

Dr. Eaton suggested that the intent behind the proposal is not to diminish Board control over programs and services, agreeing that Board control in these areas is appropriate.

However, she suggested that Dr. Crowley's comments on the University's increased reliance on private funding was important and could not be overlooked, particularly when considering the increasing number of students who are coming to the Community Colleges. Dr. Eaton noted that there is a good deal of confusion with regard to the role of the Foundation Fund Board, its status, and what it can and cannot do, and that confusion has had an impact on its interest and enthusiasm. She urged that the Board take a very careful look at the foundation vehicle proposed, and that an attempt be made to preserve the Board control yet encourage the private resources which that vehicle can tap.

Mr. Buchanan stated that he was strongly in favor of private endowments and funding, but he did not believe that a statutory foundation was the appropriate vehicle since it would remove the raising of funds from the control of the Board of Regents. He suggested that perhaps some other way be found to allow the Foundation Fund Boards to function with some latitude but still remain within the framework of the Board of Regents.

Mrs. Fong also expressed her concern over the degree of control which the Board of Regents would retain over such fund

raising activities, recalling a previous experience with the Rebel Athletic Foundation which raised funds for student housing which they proposed to build on University lands, but which was subsequently built elsewhere. Dr. Crowley pointed out that the Rebel Athletic Foundation is a private foundation and that is precisely what he was proposing be avoided by the creation of a statutory foundation that would work in harmony with the University.

In the discussion concerning the establishment of a statutory foundation or one created by the Board of Regents, Mr. Lessly noted that the Board has already created the Foundation Funds for each Campus, each of which has a Board of Directors. If, he said, it is the intent of the Board to go with a separate foundation in which the Board of Regents is not the controlling Board, it must be done by statute.

In response to a question raised concerning the expectations of the success of fund raising if conducted by a foundation as opposed to that effort conducted by the Board of Regents, Mr. Thornton suggested that was not the issue, rather, the foundation wishes to have the advice and help from the University and its staff and they were told that a staff person from the University could not be allowed to work with the

foundation unless the foundation was established by statute.

Mr. Lessly pointed out that University employees could serve the Foundation Funds as they are now established, they could serve a foundation if it is established by statute and becomes a political subdivision of the State of Nevada associated with the University, but could not serve a private foundation.

It was agreed that the material provided by Mr. Thornton would be distributed to the Board of Regents, that the December agenda would include, as an action item, the question of whether legislative authority would be sought for establishment of a statutory foundation or whether the foundation fund concept would be retained, and that the Officers and Counsel would be prepared to discuss the advantages perceived in each alternative.

6. Design Development Drawings, Mackay School of Mines

President Crowley noted that the design development drawings for the Mackay School of Mines building had been completed, had been approved by the State Public Works Board, and were ready for presentation to the Board of Regents by the firm

of Sheehan and Haase. The development budget for the facility is \$6,697,000, with \$5,040,000 budgeted for construction. Start of construction is anticipated for May, 1981.

Following presentation of the drawings, illustrated by slides and a model of the building, President Crowley recommended approval.

Mrs. Fong moved approval. Motion seconded by Mr. Buchanan, carried without dissent.

The Board adjourned for lunch and a meeting of the Chancellor Search Committee, and reconvened at 1:30 p.m. with all Regents, except Mr. Ross, and all Officers again present.

7. Proposed Lease, Main Station Field Laboratory

President Crowley recalled that the Board had previously authorized UNR to proceed to offer for lease, for a period of 40 years with an option to renew for an additional 40 years, a parcel of land consisting of approximately 56 acres located at the northwest corner of Mill Street and Boynton Lane.

Dr. Crowley reported that bids were opened October 20, 1980.

No bids were received; however, a number of inquiries were received and a great deal of comment and concerns have been expressed in this matter. Those concerns related to the way in which the bid had been approached; the period of the advertisement which was 60 days; the minimum rental figure which was advertised and which seemed low; the Board's policy concerning the nonpayment of real estate commissions; the terms, the need for planning to go into the process of making a decision about what to do with the land. All of these concerns and comments suggest that the matter needs to be studied in some detail and that a proposal be brought back to the Board at a subsequent meeting as to how to proceed with respect to that property.

Dr. Lombardi suggested that the University should look at several options, including the possibility of developing it in some manner that would provide income to the University, and moved that the land not be sold. Motion seconded by Mrs. Whitley.

Following extensive discussion concerning the possible uses of this parcel, and the utilization of any income received from it, President Crowley requested that the Board make no

decision at this time but permit time for development of a full report concerning the alternatives. Dr. Lombardi agreed to withdraw his motion and it was agreed that such a report would come back to the Board within the next four months. It was also agreed that at the next meeting an inventory of undeveloped land owned by the University would be provided to the Board of Regents.

8. Design Development Drawings, Phase IV, School of Medicine

President Crowley requested that presentation of the design development drawings for Phase IV of the School of Medicine be deferred until the December meeting.

9. Graduate Student Association, UNLV

President Goodall presented, with his endorsement, a proposed constitution to establish a Graduate Student Association at UNLV (Constitution identified as Ref. 7 and filed with permanent minutes). In addition, he recommended that the internal distribution of the per-credit fee of \$24 be revised to allocate \$1 of that fee paid by graduate students registering for 7 credits or more to the Graduate Student Association. That amount is now allocated to the Library.

Dr. Goodall noted that the amount of money involved for students in this category (i. e., full time graduate students) would be approximately \$3,800 per year, and would not have a negative major impact on the Library. The Library staff has understood that this was essentially a "holding pattern" until a Graduate Student Association was established. Dr. Goodall also noted that it is the institution's policy to provide additional funds to the Library from whatever year-end funds are available, and every effort would be made to compensate for this slight loss in that manner.

Mrs. Fong moved approval. Motion seconded by Mr. Buchanan, carried without dissent.

10. Report on Planning for College of Architecture, Engineering and Planning, UNLV

President Goodall recalled that the Board had requested a report concerning the state of planning for a new College of Architecture, Engineering and Planning and submitted the following:

Nevada architects and other design professionals began

to see a need for such a College over a decade ago. In 1972 the Regents made it a first priority in academic planning, and it has been at the top of the UNLV priority list in each of our four-year Master Plans ever since. It seemed to be under way in 1973-74 when the work program or annual budget actually contained money for a so called start-up year. Budget reductions at that time prevented implementation.

In 1979, responding to urgent representation by some of the State's leading architects, the Nevada Senate in Concurrent Resolution #27 supported in principle the area of a College of Architecture. The Assembly Ways and Means Committee, during the same session, suggested the developmental study now about to be completed. (This committee suggested as well that capital costs ought to be in some way met by the profession.)

In the Fall of 1979, we appointed a committee to work on development and in the Spring of 1980 Dean Hugh Burgess of Arizona State University's College of Architecture was retained to lead the study effort. Dean Burgess was chosen partly because he had just completed a survey of all such schools in the country. The original nucleus

committee was soon expanded to include more architects, then planners, and most recently, engineers. Other specialists such as contractors, financiers, and landscape architects have offered advice either as committee members or as individuals.

As planning for the new school proceeded, UNLV's Department of Engineering expressed growing interest in affiliation. Dean Burgess' final report will suggest incorporation of Engineering as a third element in the new College.

Because the impetus for all this activity came primarily from the professions concerned, and our internal planning did not coincide with budget deadlines, the plan which is forthcoming was not entered into the University System's new program component in the Biennial Budget.

It is my understanding that the Nevada Association of Architects may approach interested Legislators to sponsor a separate bill to begin this venture. A College of Architecture and Environmental Design (or Planning) has long been authorized by the Regents. However, the addition of Engineering -- really the transfer of the Department from one College to another -- is a new propos-

al not previously presented to the Regents.

Dr. Goodall announced that a detailed report will be presented at the December meeting.

11. Report on Plus-Minus Grading System, UNLV

President Goodall recalled that the Board had requested at the last Regents' meeting that a status report be provided concerning the plus-minus grading system. Accordingly, he distributed a report from the Chairman of the UNLV Faculty Senate which reviewed the sequence of consideration of this policy and cited the following conclusions:

1. The plus-minus System has been implemented after considerable study; it was not done hastily.
2. The system applies to both graduate and undergraduate classes.
3. The most recent computer search of the literature and the contacts with three excellent Universities have provided information supporting the faculty's decision.

4. An oversight committee is being formed to monitor the new system.

5. There have been extensive discussions and consultations with the students. The faculty has not ignored the students; we just reached different conclusions concerning the desirability of the plus-minus system.

Dr. Goodall noted that there was not agreement on Campus concerning this grading system and there are students who still oppose it. However, he pointed out, the proposal came forward from the Faculty Senate, with the endorsement of the Academic Standards Committee; it was recommended to the Board and the Board approved it and it has been implemented.

Mr. Mc Bride commented on the communications he had received concerning this, from faculty and students, and suggested that perhaps further implementation could be delayed to permit additional study, particularly concerning the impact this different grading system might have in relation to the other institutions in the System.

At Regent Karamanos' request, CSUN President George Chanos spoke concerning the opposition of the students to this grading system, and expressed his own personal concern that waiting a month to reverse the decision of the Board to approve this grading system would make it too late to reverse it for this semester and it would also result in the expenditure of approximately \$5,000 to have new forms printed.

Chancellor Baepler suggested that if the Regents wish to consider this matter further, the Registrar's Office at UNLV could be directed to hold the old forms they have, the faculty can proceed with its evaluations on the plus-minus system, and the Board can act on this in December.

Mr. Mc Bride suggested that this be considered as an emergency matter and the Board act on it at this meeting.

Faculty Senate Chairman Fry pointed out that this matter has been before the Faculty Senate for almost three years and was endorsed on two occasions after full discussion by the faculty. Insofar as student opposition, he noted that there has been student input, and the students' concerns were taken into consideration but the faculty simply did not agree with the student position.

Mr. Buchanan moved that this matter be brought back as an action item on the December agenda, that faculty and student positions be stated in writing and be included as agenda references. Motion seconded by Mr. Mc Bride, carried without dissent.

12. Litigation Concerning Special Events Centers

Mr. Lessly reported that he had provided each member of the Board with a copy of a confidential memorandum in which he had explained the status of the pending litigation of the Special Events Centers. He requested authorization to work with the Attorney General's Office to develop details for the further conduct of this litigation, in accordance with that memorandum, in order that this matter could again proceed to the Supreme Court.

Mr. Mc Bride moved approval. Motion seconded by Dr. Lombardi, carried without dissent.

13. Report by TMCC Concerning Articulation

President Eardley recalled that at the previous meeting, the

Board had requested that any of the Presidents who wished to should report on articulation as it affected his institution. Accordingly, he noted that such a report had been included with the agenda (identified as Ref. 10 and filed with permanent minutes).

A lengthy discussion concerning this matter followed, during which it appeared to be the consensus of the Regents and the Officers that resolution of this problem rested to a major extent with the Presidents of the institutions and their ability to develop agreement concerning acceptability of the quality of teaching and the nature of the degree programs.

14. Report of Investment Advisory Committee

Mr. Karamanos reported that the Investment Advisory Committee had met earlier, with Regent Lombardi presiding, and took the following actions:

- (1) Received a report from Mr. Monte Miller and recommended approval of the following transactions in the portfolio managed by Valley Bank:

SELL

Shares Description	Proposed Sale		Gain	
	Price	Proceeds	(Loss)	
700 Burroughs	52 Market	\$ 36,400	(\$10,852)	
2,000 Merrill Lynch	34 Limit	70,000	20,996	
1,000 Union Oil of Cal.	48 Limit	50,000	27,150	
	-----	-----		
Total		\$156,400	\$ 37,294	

BUY

Shares Description	Price	Yield @			
		Proposed		Proposed	
		Purchase Present	Total Purchase	Value	Price
3,500 Merrill Lynch	27 Limit	35-1/2	\$ 94,500	4.1%	
3,000 InterNorth.	33 Limit	36	99,000	5.5%	
2,300 Asarco	42 Limit	51	96,600	5.2%	
2,000 Cat. Tract.	50 Limit	59	100,000	4.8%	
2,400 Ogden Corp.	41 Limit	43	98,400	5.4%	
1,300 Union Oil Cal.	37 Limit	51	48,100	2.2%	
1,300 Norfolk West.	36 Limit	40-1/2	46,800	6.1%	
600 Honeywell	82 Limit	94	49,200	3.9%	
1,400 Intl. Paper	36 Limit	40	50,400	6.7%	

Total \$683,000

(2) Discussed possible legislation to facilitate the functioning of the Investment Committee. Mr. Lessly reported that legislation will be sought to enable the Board to consider investment recommendations by means of a telephone poll of the members, thus avoiding the delay and expense of special meetings for this purpose.

(3) Received a report and recommendation from Mr. Tom Josephsen and recommended approval of the following transactions in the Atmospherium/Planetarium portfolio managed by Security Bank:

BUY

	Total	Approx.	Antic.	Mkt.	
Units	Security	Price	Price	Income	Yield
300	Alcan	35	\$ 10,500	420	4.0
200	Celanese	49	9,800	720	7.3
150	Data General	73	10,950	-	-
150	Motorola	67	10,050	210	2.1

200	Santa Fe Indus.	58	11,600	520	4.5
200	Phillips	53	10,600	360	3.5
200	Union Oil Ca	47	9,400	160	1.7
150	Santa Fe Intl.	78	11,700	108	.9
200	Pfizer	43	8,600	288	3.3
500	Searle	20	10,000	260	2.6
150	SmithKline	69	10,350	288	2.8
300	Ryder	30	9,000	324	3.6
300	Levi Strauss	39	11,700	450	3.8
300	American Express	33	9,900	600	6.1
150	Texas East. Trans.	75	11,250	480	4.3
600	Great West. Fin.	18	10,800	528	4.9
200	Shell Oil	47	9,400	320	3.4
300	Safeway	31	9,300	780	8.4
400	Johns Manville	25	10,000	768	7.7
100	Combustion Engin.	96	9,600	300	3.1
	Total		\$204,600		3.6

SELL

210,000 U. S. T-Bills 12.13% Due 10-2-81

- (4) Received a report and recommendation from representatives of First National Bank. The Committee recommend-

Mr. Buchanan moved approval. Motion seconded by Mrs.

Knudtsen, carried without dissent.

15. Request for Funding for Community College Student

Governments

Chancellor Baepler proposed that the Board of Regents allocate \$15,000 from the Board of Regents Special Projects Account to subsidize a new Community College Student Government Association and leadership training programs to be sponsored by that organization.

He explained that the proposal is to provide matching funds for two Statewide student leadership programs each year, one in the Fall and one in the Spring. These monies would be used to bring in consultants and experts for workshops to help the Community College students to more quickly develop their leadership skills. A third use for the money would be to fund travel expenses for a representative of this new association to attend Regents' meetings similar to the manner in which travel to such meetings is now funded for the President of USUNS.

The \$15,000 allocation would be distributed in the following manner:

Spring Student Government Workshop	\$ 4,000
Fall Student Government Workshop	4,000
Consultants and Related Expenses	3,500
Instate Travel Expenses for Regents' Meetings	3,000
Contingency Monies	500
	\$15,000

Dr. Baepler explained that attendance at Statewide Community College Government Workshops would involve approximately 60 persons, to be subsidized one-half by the sponsoring Student Association and one-half from the monies allocated by the Board of Regents, at an estimated cost of \$113 per student per workshop.

Mr. Mc Bride moved approval. Motion seconded by Mrs. Whitley.

In response to Mr. Buchanan's question concerning future funding for this organization, Chancellor Baepler suggested that although the organization may return with a subsequent request for modest funds, it is anticipated that as the or-

ganization grows and gets stronger it would be self-supporting from its own budgets. He said he did not believe this allocation would be a commitment for continued funding.

Motion carried without dissent.

16. Report Concerning USUNS

In response to a request at the October meeting, USUNS President David Martinez distributed a report which he summarized as follows:

The purpose of USUNS was to promote the interests and the welfare of the students of the System. The objective of this study was to evaluate the effectiveness of USUNS in that particular endeavor.

To provide some historical background on the long range problems, past documents and minutes of the organization were analyzed. Since 1976, USUNS has been encumbered with recurring problems which have impeded its development. Student government representatives at UNR have historically tended to disavow a need for a multi-Campus system. They contend that Statewide policy planning can

be achieved through the existing structures of Campus Presidents. A 1978 study conducted by the Bureau of Business and Economic Research on student attitudes does in part support their contention. That report concludes that students may not be familiar with or may not recognize the need for USUNS. Since UNR does not participate the organization is deprived of that source of funding and this has added to the organization's fiscal problems and understaffing. At present, there are over 80 State Student Associations that exist throughout the country. The creation and survival of these organizations are, of course, as dependent upon funding as any other organization. The poverty of these organizations is a problem that has been shared by USUNS. USUNS subsequently must rely on contributions made by member student governments to fund its programs and this situation has created an unhealthy fiscal environment and has weakened its structure. Student governments in the past have seen USUNS as a threat and as a competitor and have thus cut off funding. Since student governments have a high turnover rate, USUNS has found itself in the position of reeducating student government members annually. Finally, survival of USUNS is placed in the hands of a few government members who are not necessarily repre-

sentative of the students that USUNS is working for.

One brief solution of funding would be to adopt a mandatory refundable fee structure; that is, supply a membership fee that could be refunded if the student who paid the fee wished it refunded. Under administrative staff and facilities, USUNS Officers unfortunately play dualistic roles within student government. Because of this overlapping of responsibilities, demands on their time are stretched to the limit. This condition restricts the activity of USUNS and perpetuates the backing of administrative duties. The solution, of course, is that the administrative staff of USUNS should be expanded, and the organization should establish facilities out of which it could operate. This could free USUNS Officers of these time consuming tasks of developing schedules, bookkeeping and other such administrative paperwork.

The greatest problem that I have found in USUNS, and that faces USUNS in the future, is the division among its members. In recent months, some Community College representatives have restated the old concern that USUNS is structured to serve the interests of the large

institutions. A quick review of USUNS' meetings confirm that this basic notion existed since the inception of the organization. These feelings stem from two basic conditions: (1) the differences in revenue allotments awarded to each of the member groups; and (2) that the Community Colleges face different problems which are unique to their environments, thus, their goals are radically different from those of the Universities. It is this difference in problem goal orientation that has divided the very organization that is responsible for uniting the System.

As far as the solution to the division, USUNS would have to be reorganized to eliminate the divisions. An alternative structure which would rectify this problem could be the establishment of Community College and University coalitions which would allow the respective institutions to shape their own organizations. Since many problems facing the Community Colleges are radically different from those of the Universities, a forum should be created for an expression of these problems. While there is good reason to assume that there is and will continue to be substantial opportunities for the development of USUNS, institutional structures must be given primary

considerations at this time. USUNS should be left dormant for a period of two years to allow these regional structures to develop and mature and then these regional structures could then be used as building blocks of a Statewide institution.

Mr. Martinez stated that, based on the findings of the foregoing report, he recommended that USUNS be shelved for a period of two years and that the Universities and Community Colleges be allowed to develop coalitions at their option to address two-year and four-year institutional issues. He noted that CSUN President George Chanos would propose in the near future the formation of a Presidents' council and he recommended that the proposal be adopted, in addition to the coalitions.

Mr. Martinez further noted that at its last meeting, the USUNS Council voted to disband. However, there are still bills outstanding and monies which will be remaining after those outstanding bills have been paid and which should be returned to the respective schools. He requested guidance from the Board of Regents.

Mr. Buchanan moved that, in accordance with the action by

USUNS to disband, the constitution of that organization be revoked by the Board of Regents. Motion seconded by Mr. Karamanos, carried without dissent.

In approving the above motion, USUNS was instructed to pay their outstanding bills and disburse any remaining monies to its participating members.

17. Allocation for Funding of Requested Audit

Mr. Mc Bride noted that each of the Regents had been given a copy of a letter from Kafoury, Armstrong and Company which contained a proposal for the conduct of an audit which the Board had requested at its special meeting of October 24 (copy of proposal filed with permanent minutes). The objective of the audit is to provide the Board of Regents an accounting of the tickets for home football and basketball games at UNR and UNLV for the period July 1, 1979 through June 30, 1980, with particular emphasis on ticket and cash equivalence accountability. The estimated fee for this audit is \$6,500 and Mr. Mc Bride moved that the Board allocate that sum from the Board of Regents Special Projects Account for this purpose, noting that the fee has been kept smaller in view of the fact that the auditing staff in the

Chancellor's Office will assist in the audit. Motion seconded by Mrs. Fong, carried without dissent.

18. Proposed Amendment of Board of Regents Bylaws

At the October meeting, the Board approved a revised position description for the Chancellor, with the understanding that additional amendment to the Presidents' duties and responsibilities would be necessary. Accordingly, a proposed amendment to Article VI of the Board of Regents Bylaws was submitted for first reading. (Proposed amendment identified as Ref. 17 and filed with permanent minutes), with final action to be requested in December.

19. Approval of Special Fee, UNR

President Crowley requested approval to increase an existing special fee for Ice Skating (RPEd. 165) from \$20 to \$26 per course, and to assess a special fee of \$20 for Backpacking (RPEd. 141), effective Spring semester, 1981.

Mr. Buchanan moved approval. Motion seconded by Mr. Karamanos, carried without dissent.

20. Naming of Alumni Lounge Area in Morrill Hall, UNR

President Crowley reported that the UNR Alumni Association has proposed that the Alumni Lounge area on the first floor of Morrill Hall be named the Norcross Parlor, in honor of Judge Frank H. Norcross, the Association's first President. President Crowley recommended approval.

Mr. Buchanan moved approval. Motion seconded by Mr. Karamanos, carried without dissent.

21. New Business

(1) Chairman Cashell asked that the December agenda include written status reports from the Chairpersons of all Board-appointed committees.

(2) Mr. Buchanan stated that he had been approached by a number of people in Las Vegas about the loss of the Federal funds for the special program at UNR for deaf students. He requested that President Crowley bring back to the December meeting a report on the status of this program and that consideration be given to some form of supplemental funding to keep the program going.

(3) Mrs. Fong asked that General Counsel be requested to draft a bill for the Governmental Affairs Committee that would place a spending limit on campaigns for nonpaying educational offices, such as Regent and members of the Board of Education.

(4) Mr. Mc Bride asked that the next agenda include a written report from Counsel concerning those items which the Board has addressed over the past year and which they have requested be submitted to the 1981 Legislature.

The meeting adjourned at 2:55 P.M.

Bonnie M. Smotony

Secretary of the Board

11-06-1980